



Seaport West
155 Seaport Boulevard
Boston, MA 02210-2600

617.832.1000 main
617.832.7000 fax

Seth D. Jaffe
617-832-1203 direct
sjaffe@foleyhoag.com

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VIA EMAIL AND HAND DELIVERY

Jordan Garfinkle
MassDEP
One Winter St., 7th Floor
Boston, MA 02108

Re: Proposed Regulations Under Global Warming Solutions Act, §3(d)
310 CMR 7.75 – Clean Energy Standard

Dear Mr. Garfinkle:

I write on behalf of the New England Power Generators Association (NEPGA)¹ to provide comments on the above-referenced proposed rule. NEPGA supports the Commonwealth's goal to reduce emissions of greenhouse gases (GHGs). Indeed, as NEPGA has previously noted, GHG emissions from the electric generation sector have already been reduced by 60% below 1990 levels – a figure well beyond what any other sector of the economy has achieved to date.

NEPGA is the trade association representing competitive power generators in New England. NEPGA's member companies represent approximately 26,000 megawatts, or roughly 80% of the installed capacity in New England. NEPGA's mission is to support competitive wholesale electricity markets in New England. NEPGA believes that open markets guided by stable public policies are the best means to provide reliable and competitively-priced electricity for consumers. A sensible, market-based approach furthers economic development, jobs, and sound environmental policy for the region.

NEPGA appreciates MassDEP's work to establish a market-based CES proposal. We write simply to ensure that two critical issues be properly resolved, so that, if a CES is implemented, it will actually work to assist the Commonwealth in meeting the GHG reduction targets in the Global Warming Solutions Act.

¹ The comments expressed herein represent those of NEPGA as an organization, but not necessarily those of any particular member.

Eligibility of New and Existing Generators

Reducing CO2 emissions requires a two-pronged approach – maintaining existing low-carbon resources and providing for new low carbon resources. Thus, a successful CES must include all resources that have the requisite low-carbon characteristics, in a non-discriminatory manner, including both existing and new generation. If an unanticipated consequence of implementing a CES is to undermine existing low or zero carbon resources, this could cause the retirement of existing generation resources that would otherwise contribute to cost-effectively attaining the emission reduction targets. This would be counter-productive to the intent of the CES. Including both existing and new resources is the best option for meeting the CES's CO2 emissions goals. Thus, we think that the Department's proposal to preclude generators from qualifying for the CES if they were built prior to 2010 is misguided and we urge MassDEP to eliminate the post-2010 requirement from the regulations.

Eligibility of All Resources Meeting the Threshold

In addition to allowing both existing and new generation to qualify for a CES, all resources – regardless of technology type – meeting the specified emission rate should qualify. NEPGA has consistently advocated that the optimal approach for reaching emissions goals is to develop a standard rate and then allow any resource able to meet the standard to compete. This avoids putting policymakers in the position of picking winners and losers and allows the market to deliver the best mix of resources to cost-effectively meet the CO2 goals. In addition, resources from both Massachusetts and throughout the region should qualify for the CES as they currently do for the RPS and we support this element of the CES proposal.

Conclusion

NEPGA appreciates the opportunity to provide these comments in response to the CES proposal. NEPGA and its members are committed to working with DEP on meeting emissions mandates as specified by the GWSA and the recent *Kain* decision. NEPGA looks forward to continuing the constructive dialogue in this and other proceedings.

Sincerely,



Seth D. Jaffe

cc: Marty Suuberg, MassDEP Commissioner
Dan Dolan, NEPGA